

6 MR. McDONALD: Q. Based on your involvement
7 with the resale business, in particular, attempting to
8 address concerns that have been expressed by CLC's about
9 the LISC operations, is it your view that the problems
10 that the CLC's have identified reflect problems with both
11 order submissions by CLC's as well as Pacific's
12 operations?

13 A. I would think that the CLC's generally appear to
14 put more of a blame -- it's a new process, a new business,
15 on Pacific, because it is Pacific's responsibility to make
16 this successful.

17 But as I explained earlier, as a start-up in
18 this business, it's a two-way street. Obviously, if you
19 don't follow the processes and do things correctly -- but
20 I think they are realizing that some of them have more
21 errors than others.

22 There are some CLC's, quite frankly, that are
23 really into quality process in their business, who do a
24 really good job, and their error rate is considerably less
25 than others.

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1 Q. Now, if the CLC's had submitted orders free of
2 errors, is it your view that Pacific's staffing systems
3 and processes were such that the volume of orders that
4 were received would have been timely processed?

5 MR. KOLTO-WININGER: I will object to lacking
6 foundation. But go ahead and answer what you know.

7 THE WITNESS: My belief is that the volumes are

8 so substantial that there could probably still be a
9 backlog, but there would be a significant improvement if
10 perfection were there in the manual process, yes.

11 MR. McDONALD: Q. And do you know how the
12 actual volumes compare to the forecasts that Pacific
13 prepared for calendar year 1996 for resale orders?

14 A. I haven't seen these numbers. It's really
15 difficult for me to say. I would tell you what my belief
16 is, because I have seen numerous forecasts from the
17 beginning to the remainder of the year '97, and those
18 volumes, I don't think, were unreasonable, but they are
19 very large.

20 Q. But what I'd like to focus on is for 1996. The
21 volumes that Pacific forecasted that resale orders that
22 Pacific would receive versus the volume of orders that
23 actually were received, are you aware of that comparison?

24 A. No, because, again, I don't remember those
25 numbers, and I just could be guessing, and I don't want to
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1 do that.

2 Q. So you don't know whether the actual volume of
3 orders that Pacific processed was more or less than --

4 A. Than the forecast?

5 Q. For '96, right.

6 A. I don't know.

7 Q. Is it your understanding that the number of
8 orders that Pacific actually processed in '96 was limited
9 by Pacific's ability to process orders? In other words,
10 that there were pending orders that could have been

11 processed if Pacific had adequate capacity to process

12 those orders?

13 A. Again repeating what I stated earlier, I believe

14 that there is a whole myriad of issues that affected the

15 capacity, and in an ideal state -- if there was a plan in

16 place for systems, for people, for everything, and in an

17 ideal state, if all that could have been done perfectly,

18 we probably would be able to process all the orders, in an

19 ideal state.

20 I know the intent of Pacific was to meet a very

21 aggressive time line, but it's an enormous task, and we

22 have always attempted to meet the needs of the volumes of

23 the CLC's. So in a perfect world, yeah, it would be nice

24 to be able to say that. Unfortunately, it's not so. I

25 really don't think it would be proper for me to say we can
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1 meet all the volumes at that time.

2 Q. In your view, to take an aggressive approach to

3 trying to meet expected demand, would you expect Pacific

4 to staff the LISC in sufficient numbers to handle

5 forecasted volumes?

6 A. Absolutely, and that I do have firsthand

7 knowledge of. And the fact of the matter is that that is

8 a wide-open faucet in trying to get the numbers of people

9 to staff the LISC. We have done everything humanly

10 possible, and I don't know how we can move that any

11 faster.

12 Q. And you are speaking of current efforts?

13 A. Over the last two months, two to three months,
14 yes.

15 Q. In the fourth quarter of 1996, was the LISC
16 staffed at levels, to your knowledge, sufficient to handle
17 the forecasted volumes?

18 MR. KOLTO-WININGER: I will object to lacking
19 foundation. But go ahead and answer.

20 THE WITNESS: Again, referring to the forecasted
21 volumes that Pacific had or that the customer had?

22 MR. McDONALD: Q. Right, that Pacific had.

23 A. I think, if everything was working properly,
24 that is, no errors, then probably yes. But in a manual
25 mode during that time, without the NDM systems up and
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1 running, without all the CLEC's using NDM, no, because of
2 a whole myriad of issues and problems.

3 Manually sending over boxes, duplicate orders,
4 faxing back and forth, not knowing that machines were
5 running or not running, all those kind of things, I am not
6 sure that putting people to those problems is the answer.

7 Q. If Pacific was taking an aggressive approach to
8 trying to adequately build LISC capacity, would you expect
9 it to make expenditures that matched its budgeted
10 expenditures for resale business?

11 MR. KOLTO-WININGER: I will object to lacking
12 foundation; calls for speculation. But go ahead and
13 answer.

14 THE WITNESS: Yes, I would think that Pacific
15 would do that. And my understanding is that we have the

16 authority and the expected budget to be able to maximize
17 whatever efforts we needed to do. But quite candidly, I
18 don't think money is an issue here. We can spend what we
19 needed to spend to be successful. We were very aggressive
20 in that arena.

21 MR. McDONALD: Q. Are you aware of the
22 relationship between -- for the 1996 calendar year, the
23 amounts budgeted for the resale business and the amounts
24 actually expended?

25 A. I have seen them, but I could not tell you what
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1 those numbers are out of my head, no.

2 Q. Do you know if the amounts actually expended
3 were greater than or less than the amounts that were
4 budgeted?

5 A. For that period of time, again, it's an educated
6 guess. I know that we are spending way more. We were
7 over-running our budget in the resale arena, and I believe
8 we were then, and I believe that we continue to
9 substantially.

10 MR. McDONALD: I don't think I have anything
11 further.

12

13 EXAMINATION BY MR. KOLTO-WININGER

14 MR. KOLTO-WININGER: I just want to clarify one
15 issue.

16 Q. Earlier you spoke about the two-order process
17 used to migrate customers from Pacific Bell to a CLEC. Do

18 you recall that discussion?

19 A. Yes.

20 Q. If the two-order process works as intended, is a
21 customer physically disconnected or is there no
22 disconnection of service?

23 A. There should be no disconnection if they run
24 simultaneously.

25 MR. KOLTO-WININGER: Thank you.

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1 MR. McDONALD: Okay. That's it.

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3 (Whereupon, the proceedings were adjourned
4 at 3:25 p.m.)

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1 CERTIFICATE OF WITNESS

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5 I, the undersigned, declare under penalty of

6 perjury that I have read the foregoing transcript, and I

7 have made any corrections, additions, or deletions that I

8 was desirous of making; that the foregoing is a true and

9 correct transcript of my testimony contained therein.

10

11 EXECUTED this day of ,

12 19 , at , .

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15

16 MICHAEL MALLIN

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1)

2 STATE OF CALIFORNIA) ss.

3)

4 I, SANDRA L. CARRANZA, the undersigned, a Certified

5 Shorthand Reporter of the State of California, hereby

6 certify that the witness in the foregoing deposition was

7 by me duly sworn to testify to the truth, the whole truth,

8 and nothing but the truth in the within-entitled cause;

9 that said deposition was taken at the time and place

10 therein stated; that the testimony of said witness was

11 reported by me, a Certified Shorthand Reporter, and a

12 disinterested person, and was thereafter transcribed under

13 my direction into typewriting; that the foregoing is a

14 full, complete, and true record of said testimony.

15 I further certify that I am not of counsel or

16 attorney for either or any of the parties in the foregoing

17 deposition and caption named, or in any way interested in

18 the outcome of the cause named in said caption.

19 IN WITNESS WHEREOF, I have hereunto set my hand this

20 day of , 1997.

21

SANDRA L. CARRANZA
Certified Shorthand Reporter
Registered Professional Reporter

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1 CHAMBERLIN & ASSOCIATES
Certified Shorthand Reporters
2 Two Embarcadero Center, Suite 1710
San Francisco, California 94111

3
4 4/23/97

5 TO: MICHAEL MALLIN
PILLSBURY, MADISON & SUTRO
c/o ED KOLTO-WININGER, ATTORNEY AT LAW
6 235 Montgomery Street
San Francisco, California 94104

7 RE: MCI TELECOMMUNICATIONS CORPORATION vs. PACIFIC
8 BELL AND PACIFIC BELL COMMUNICATIONS
Date of Deposition: April 15, 1997
9 Reported By: SANDRA L. CARRANZA, CSR 7062

10 MICHAEL MALLIN:

11 The original transcript of your deposition taken in
the above-entitled action has been prepared and is
12 available at this office for your reading, correcting, and
signing.

13
14 You may wish to discuss this matter with your
attorney to determine if counsel requires that the
original transcript of your deposition be read, corrected,
15 and signed by you before it is sealed.

16 Your rights regarding signature of this deposition
are contained in the California Code of Civil Procedure.

17
18 Unless otherwise directed, your original deposition
transcript will be sealed after 35 days from today's date.

19 If you wish to make arrangements to review the
original transcript of your deposition, please contact
20 this office during office hours, 9:00 to 5:00 Monday
through Friday, to make an appointment to review the
21 original transcript.

22 Sincerely,

23 SANDRA L. CARRANZA
Certified Shorthand Reporter
24 Registered Professional Reporter

25 cc: All Counsel

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Docket No. 96-0404
LCI International Telecom Corp.

DIRECT TESTIMONY OF W. DAVID MARLIN

Qualifications

Q. Please state your name and business address.

A. My name is W. David Marlin. My business address is LCI International Telecom Corp. ("LCI"), 4650 Lakehurst Court, Dublin, Ohio 43017.

Q. How long have you been employed by LCI?

A. Almost nine years.

Q. What is your educational background?

A. I hold a BS degree in mathematics from Southern Utah University, and in June of 1997, I will complete the course work for an MBA degree in an executive MBA program offered through Ohio University.

Q. What is your job title at LCI and what are your responsibilities in that job?

A. For the past year, I have been the Operations Manager for LCI's Data Center. LCI's Data Center is responsible for, among other things, receiving and processing all billing data from calls made by LCI's long distance customers, both residential and business. The Data Center is also now responsible for receiving and

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processing the billing data that LCI receives from the Bell operating companies in those regions in which LCI has entered the local exchange service business, including Illinois. I am responsible for the day-to-day operations of the Data Center, and before becoming the Operations Manager, I helped design the underlying systems architecture that is now employed in LCI's billing operations.

Q. When did LCI begin offering local telephone service in Illinois?

A. LCI entered the Illinois market in late October of 1996 as a reseller of Ameritech's local service. To date, LCI is reselling local service to small business customers only.

Q. Have you been responsible since that time for overseeing the receipt and processing of billing information from Ameritech in connection with LCI's resale business in Illinois?

A. Yes, I have.

Purpose of Testimony

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to address the issue of whether Ameritech is providing access to the functionality in its Operation Support Systems ("OSS") on

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a nondiscriminatory basis. While I do not intend to address this issue globally, I do want to identify problems that LCI has experienced to date in obtaining timely billing information from Ameritech in connection with LCI's local exchange service business in Illinois.

Types of Billing Information Received From Ameritech

Q. Please explain the types of billing information that LCI currently receives from Ameritech?

A. Ameritech sends two types of billing data to LCI: (1) daily usage files; and (2) monthly bills from the Ameritech's Electronic Billing Service (referred to by Ameritech as "AEBS").

Q. What are daily usage files?

A. Daily usage files contain the call record information that LCI needs to bill its end-user customers. When one of LCI's end-users makes a call, information concerning that call, including the customer's telephone number and the length of call, is captured electronically by Ameritech's switch at the time call passes through the switch. Ameritech sends this call record information to LCI in what are called daily usage files, which are batch files that often contain the call record information for several thousand calls.

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LCI International Telecom Corp.

Q. How does Ameritech send daily usage files to LCI?

- A. LCI is currently working on developing the interfaces that will enable it to communicate electronically with all aspects of Ameritech's OSS. This is an expensive and time consuming undertaking, particularly for a smaller long distance company like LCI, and during this development process, LCI has had to rely on manual processes, principally fax machines, for its communications with Ameritech's OSS. LCI has, however, established an electronic link for billing information through a network data mover known as "Connect:Direct." Ameritech sends daily usage files to LCI via this electronic link.

Q. What are the AEBS bills?

- A. An AEBS bill is, in effect, an invoice from Ameritech to LCI for the services LCI has purchased from Ameritech and which LCI, in turn, has resold to its end-user customers. The AEBS bill contains a monthly summary of recurring charges such as flat rate service charges, and non-recurring charges such as installation charges and service fees for maintenance calls. As with call record information, LCI needs this information in order to bill its end-user customers. The AEBS bill is in a format that is proprietary to Ameritech and LCI had to develop translation

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software for this format. Like the daily usage files, Ameritech sends the AEBS bill to LCI electronically via Connect:Direct.

Ameritech's Delays in Providing Billing Information

Q. Is LCI receiving AEBS bills in a timely manner?

A. No. In the AEBS Implementation Guide that Ameritech provided to LCI, Ameritech indicates that if AEBS is transmitted electronically (which it is, in the case of LCI), the AEBS file will be available for retrieval within six to eight days of the completion of the billing cycle. (The relevant excerpt from the AEBS Implementation Guide is attached hereto as Exhibit A.) LCI's billing cycle ends at the end of each calendar month. Ameritech sent LCI the AEBS bill for the billing cycle ending on January 31, 1997, on March 11, 1997, more than a month late. Ameritech sent LCI the AEBS bill for the billing cycle ending February 28, 1997, on March 26, 1997, more than two weeks late. For the billing cycle ending March 31, 1997, Ameritech did not send the AEBS bill until April 17, 1997, approximately a week past the committed due date.

Q. Is LCI receiving the call record information contained in daily usage files in a timely manner?

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A. No. Ameritech's switches capture the call record information from a call made by an LCI end-user at the time the call passes through the switch. I believe Ameritech should be providing this information to LCI within 24 to 36 hours after the call has been made, as that is the period of time in which LCI provides similar long-distance call record information to resellers of LCI's long distance service. Ameritech committed in its resale agreement with LCI to use "best efforts" to ensure that call record information is transmitted to LCI within at least 72 hours after the call is made. Ameritech is not even meeting this lenient standard on a substantial number of the calls made by LCI end-user customers.

Q. Does LCI keep records that enable you to determine the number of days between the date an LCI end-user customer makes a call and the date on which LCI receives that call record information from Ameritech?

A. Yes we do. Our computer system is able to generate a report that shows the distribution of call record data received from Ameritech.

Q. Have you run those reports and, if so, can you please tell us what they show?

A. Yes I have. Our experience has been, and these reports confirm that LCI receives virtually no call record information from Ameritech within 24 to 36 hours after the

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call was made, and that Ameritech is failing to meet its own 72 hour commitment on a substantial number of calls. For example, in December of 1996, LCI received call record information on approximately 60% of its calls four days or more after those calls had been made. While that number has improved slightly over the past three months, LCI is still receiving call record information on over 40% of the calls four days or more after those calls were made. A more complete summary of the distribution of call record data received from Ameritech is attached hereto as Exhibit B.

Q. Has LCI complained to Ameritech about the lateness of both the AEBS bill and the call record information in daily usage files?

A. Yes, we have complained to Ameritech about these issues on numerous occasions, yet they still have not been rectified by Ameritech.

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Adverse Impact Upon LCI's Business in Illinois.

Q. Have Ameritech's delays in providing billing information to LCI had any adverse impact upon LCI's business in Illinois and, if so, please describe that impact?

A. Yes it has. The adverse impact upon LCI's business includes:

Untimely call record information has resulted in billing delays: Many of the customers whom LCI has persuaded to leave Ameritech were already long distance customers of LCI. These customers expect and want to receive one bill from LCI that incorporates all the local and long distance calls made by that customer during that billing cycle. LCI typically has all of the information necessary to invoice its long distance service within one to two days following the close of the business cycle. Because of Ameritech's failure to timely transmit local service call record data, LCI is forced to delay sending its combined invoice to its customers for an additional three to five days, and sometimes even longer. Some customers of LCI (both local service only and combined long distance and local service) have complained that they have not been receiving their invoices on as timely a basis as they previously had when their local service was provided by Ameritech.

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Billing delays affect LCI's cash flow: When LCI is forced to delay sending invoices for four or five days (or even more), this affects LCI's cash flow because it typically means LCI is paid four or five days (or more) later than it should have received payment. While the dollar amount of the current delayed invoices is not substantial given that LCI is a recent entrant in the local service market in Illinois, the amount is anticipated to become significant if LCI meets its projections for growth in its local service business.

Untimely billing information from Ameritech results in local calls and other charges being billed out of cycle: Even though LCI has delayed invoicing its customers, LCI has still been forced to back-bill local calls and monthly non-recurring charges due to Ameritech's failure to timely provide call record information and AEBS bills.

When LCI sends late bills to its customers and when those bills include charges that were incurred in earlier-billing cycles, this impacts not only LCI's revenue and cash flow, but its credibility with its customer base. Given these circumstances, LCI is not at parity with Ameritech in its ability to timely bill its end-user customers, which makes it more difficult for LCI to compete against Ameritech for local service business in Illinois.

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LCI International Telecom Corp.

Q. Does that conclude your testimony?

A. Yes, it does.

Martinez
FILE COPY

BEFORE THE
GEORGIA PUBLIC SERVICE COMMISSION

IN RE:

CONSIDERATION OF BELL SOUTH
TELECOMMUNICATIONS, INC.'S
ENTRY INTO INTERLATA SERVICES
PURSUANT TO SECTION 271 OF THE
TELECOMMUNICATIONS ACT OF
1996

DOCKET NO. 6863-U

BELL SOUTH TELECOMMUNICATIONS,
INC.: STATEMENT OF GENERALLY
AVAILABLE TERMS AND CONDITIONS
UNDER SECTION 252(F) OF THE
TELECOMMUNICATIONS ACT OF 1996

DOCKET NO. 7253-U

DIRECT TESTIMONY OF RONALD MARTINEZ

ON BEHALF OF MCI TELECOMMUNICATIONS CORPORATION

FEBRUARY 14, 1997

1
2
BEFORE THE
GEORGIA PUBLIC SERVICE COMMISSION

3 IN RE:)

4)
5 CONSIDERATION OF BELL SOUTH)
6 TELECOMMUNICATIONS, INC.'S)
7 ENTRY INTO INTERLATA SERVICES)
8 PURSUANT TO SECTION 271 OF THE)
9 TELECOMMUNICATIONS ACT OF)
10 1996)

DOCKET NO. 6863-U

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12)
13 BELL SOUTH TELECOMMUNICATIONS,))
14 INC.: STATEMENT OF GENERALLY)
15 AVAILABLE TERMS AND CONDITIONS)
16 UNDER SECTION 252(F) OF THE)
17 TELECOMMUNICATIONS ACT OF 1996)

DOCKET NO. 7253-U

18 DIRECT TESTIMONY OF RONALD MARTINEZ
19 ON BEHALF OF MCI TELECOMMUNICATIONS CORPORATION

20 Q. PLEASE STATE YOUR NAME, ADDRESS, AND POSITION.

21 A. My name is Ronald Martinez. My business address is 780 Johnson Ferry Road,
22 Atlanta, Georgia 30342. I am employed by MCI Telecommunications
23 Corporation ("MCI") in the Carrier Relations group as an executive staff member.

24 Q. PLEASE PROVIDE INFORMATION ON YOUR BACKGROUND AND
25 EXPERIENCE.

26 A. In my current position, I manage the business relationships between MCI and

1 approximately 500 independent local exchange companies ("LECs") in twenty-one
2 states. I have experience in network engineering, administration and planning;
3 facilities engineering, management and planning, network sales; and technical sales
4 support. Prior to joining MCI, I was the Director of Labs for Contel Executone
5 for several years. Before that, I worked for 16 years in the Bell system in
6 numerous engineering, sales and sales support functions. I have a Master of
7 Science degree in Operations Research, and a Bachelor of Science degree in
8 Electrical Engineering from the University of New Haven. I was one of the
9 principal negotiators in the negotiations between BellSouth and MCI which was
10 conducted pursuant to Section 252 of the Telecommunications Act of 1996 (the
11 "Act").

12 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

13 **A.** The purpose of my testimony is to provide information to the Georgia Public
14 Service Commission ("Commission") to assist the Commission in carrying out its
15 responsibilities under the Act. These responsibilities include (1) advising the
16 Federal Communications Commission ("FCC") on the extent to which BellSouth
17 Telecommunications, Inc. ("BellSouth") has complied with the requirements of 47
18 U.S.C. § 271 and (2) reviewing BellSouth's "Statement of Generally Available
19 Terms and Conditions" ("SGAT") under § 252(f) of the Act. More specifically, I
20 will discuss: (1) the readiness of BellSouth's Operations Support Systems